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Trade Invest Monthly

Hawaii's International Business Network

Hawaii Notices

Hawaii-Vietnam 2001 Trade Mission – Revised Dates

The dates of the Hawaii-Vietnam 2001 Trade Mission have been rescheduled for June 9-22, 2001.

The mission is being organized by the Vietnamese-American Chamber of Commerce of Hawaii (VACCH) and DBEDT. It builds upon important relationships established with Vietnamese government ministries, state enterprises, and private companies on previous visits.

On the itinerary are meetings with key government agencies and state enterprises, industry/market briefings by U.S. and Vietnamese officials, site visits, and presentations by Hawaii mission participants to targeted audiences. Participants are encouraged to pursue individual business meetings and follow-up, and explore Vietnam's rich historical and cultural heritage.

For more information on the trade mission details, contact Emogene Estores at Tel: (808) 587-2762.

Note: Please also refer to the report summary: the *Vietnam Exporter Guide for High-Value Consumer Oriented Food and Beverage* on page 2.

JAIMS - China Seminar Series

The Japan-America Institute of Management Science (JAIMS) will be holding the final seminar of the "JAIMS China Seminar Series". The series started on April 12, 2001 and will continue until May 4, 2001. The seminars are also co-sponsored by DBEDT, Chamber of Commerce of Hawaii, Chinese Chamber of Commerce of Hawaii, U.S.-China People's Friendship Association of Honolulu, and the University of Hawaii Center for Chinese Studies.

The seminars have targeted organizations and individuals who are: 1) interested in the Chinese market, 2) are considering doing business in China, or 3) are currently doing business in China and want to improve their skills and knowledge about China.

Details of the seminar are as follows:

- ◆ 1:00 – 2:30 p.m. – *Chinese Culture and Etiquette*

Speaker: *Cynthia Y. Ning* – Associate Director of the University of Hawaii at Manoa's Center for Chinese Studies.

- ◆ 3:00 – 4:30 p.m. – *Doing Business in China from an Architect's Point of View*
Speaker: *Donald W.Y. Goo, FAIA* – Chairman of Wimberly Allison Tong & Goo, Inc., Architects, Planners and Consultants

DATE: Friday, May 4, 2001.

PLACE: Japanese Cultural Center of Hawaii,
2454 S. Beretania St., Rm. 102
(Parking \$2.00 with validation)

COST: \$65/session
\$60/session if signed up for 2 or more sessions
\$60/session for members of a co-sponsoring organization

Space is limited and on a first-come, first-served basis.

For more information, contact Yen Chun at Tel: (808) 396-7163; Fax: (808) 396-7112.

China Seminar- "How to Succeed through Partnerships & Alliances"

Sponsored by DBEDT, East-West Center, the U.S. Department of Commerce - Honolulu Export Assistance Center, the Pacific & Asian Affairs

Council and the Kapiolani Community College this seminar entitled "*China in Transition: How to Succeed through Partnerships and Other Strategic Alliances*", will focus on the numerous opportunities to build partnerships with businesses and educational institutions in rapidly-developing China.

Discussions will encompass tourism, healthcare, sustainable environmental development, technology and biotechnology, import-export, and education and training. A close look will be given to existing arrangements and recommendations will be made for capitalizing on China's considerable need for Hawaii's expertise.

Also participating is a visiting business delegation from Guangdong that will be looking to form partnerships in tourism; healthcare; textiles; and sports and recreation. A luncheon

and afternoon reception will offer opportunities to network with these and other guests.

DATE: Friday, May 18, 2001
 TIME: 11:00am – 4:00pm (reception to follow)
 PLACE: Garden Room, East-West Center
 1601 East-West Center Road, Honolulu
 COST: \$30, Includes: Lunch and Reception
 (\$3 parking on the lawn)

To register, contact Ed Valdez: Tel: (808) 734-9153; Fax: (808) 734-9893; or
 e-mail: edwardv@hawaii.edu

WUSATA - Export Readiness Program Revised Dates

Dates have been revised for the *Export Readiness Program* reported in the February 2001 issue of *Trade Invest Monthly*.

As part of the continuous efforts to expand market opportunities for Hawaii's agricultural and food products, the Hawaii Department of Agriculture (HDOA) in collaboration with the Western U.S. Agricultural Trade Association (WUSATA) are for the first time offering a teleconference *Export Readiness Program* to Hawaii.

The Program is designed to address various export-specific issues of local businesses that want to export agricultural and food products.

John Kauke, an export consultant with over 20 years of experience in pioneering foreign market development, will lead the teleconference sessions. In addition, resource representatives from HDOA and WUSATA will join Mr. Kauke.

Export veterans as well as beginners just starting to explore international markets can sign up for the one-on-one teleconference session (2 hours) with Mr. Kauke to achieve the following topics:

1. Get answers to your export questions
2. Investigate your strategic export choices
3. Design tactics to fit your export strategy and budget
4. Learn about State and Federal export programs that can support your goals

Sessions will run on the following dates:

- May 10, May 11, May 16, May 17
- June 14, June 15, June 20, and June 21

The teleconference times during the above dates are broken down as follows:

- 8:00 – 10:00 a.m.
- 10:00 a.m. – 12:00 noon
- 1:00 p.m. – 3:00 p.m.

COST: \$50 registration fee due two (2) weeks before your chosen session. Payment will confirm and reserve your spot.

For more information and to register, contact Abel Konan at HDOA at Tel: (808) 973-9596

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. Complete the request form at the end of the newsletter and Fax to (808) 587-3388, or send an Email message to: tradeinvest@dbedt.hawaii.gov

The report service offered is reserved for Hawaii companies only.

If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, www.stat-usa.com. You will have the choice of ordering the reports you need for a small fee or you can subscribe to their service for an annual fee and have unlimited access to all reports and services

Hong Kong – Internet Data Center Market (18 pages)

The U.S. & Foreign Commercial Service published a report about Internet Data Centers (IDC), telecom carrier hotels, co-location and server farms in Hong Kong.

Local industry people estimate that web-hosting and related value-added services in Hong Kong will reach US\$100 million in 2001, and will rise to US\$400 million in 2003.

The U.S. & Foreign Commercial Service in Hong reports that U.S. companies, the dominant communication providers to Hong Kong, should expect excellent business opportunities in the growing IDC market. However, there is stiff competition from Hong Kong and Singaporean firms.

Although IDC is a relatively new business in Hong Kong, the growth potential in the market has attracted the interest in: 1) telecommunication providers, 2) Internet Service Providers (ISP), and service companies such as consultants, system integrators, and outsourcers.

For Hawaii companies interested in the market, the points that drive the market are as follows:

1. The Hong Kong business community realizes that it must invest in IT in order to remain competitive in the global market.
2. There are 1.85 million Internet users in Hong Kong – a 37% penetration rate.
3. There is a shortage of IT labor in Hong Kong – according to a recent survey by Information Technology Training and Development Center, there are 1,821 vacant IT positions in Hong Kong.
4. Companies that cannot afford to recruit, train, and re-train IT personnel will outsource its IT needs.
5. Building and managing an Internet infrastructure requires substantial capital investment and experience. The IDC provides a more affordable

service by offering a timeshare concept that is appealing to small- and medium-sized enterprises. Likewise, large corporations also find the IDC attractive to save costs and to allow the corporation to focus on its core business efforts.

6. With China soon to be part of the WTO, foreign telecommunication carriers are planning to launch their cable to China via Hong Kong, thereby raising further demand for IDC's in Hong Kong.
7. Reliability of service is the number one buying factor to multi-national corporations and large corporations, followed by 2) points of presence to expand their businesses beyond the local boundaries, and 3) carrier neutrality. Price is less of a factor in choosing an IDC, except for the price-sensitive small-sized companies.

The report outline is as follows:

- Competitive analysis – list of current IDC operators in Hong Kong;
- End-user analysis;
- Market access – business environment;
- Guidelines for selecting and working with an agent or distributor in Hong Kong;
- Trade promotion activities; and
- Contacts.

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov

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Vietnam – Exporter Guide for High-Value Consumer-Oriented Foods and Beverages (20 pages)

Hawaii exporters can gain a better working knowledge of the Vietnamese consumer market through the U.S. Department of Agriculture recent report on *High-Value Consumer-Oriented Foods and Beverages*. Report highlights the following:

- Market overview – over the past 12 years, Vietnam has gone from traditional open-air wet markets to modern supermarkets and shopping centers. Today, Hanoi has more than 15 mini-marts and supermarkets, while Ho Chi Minh City has more than 30. This alone increases the imports of Western food products.
- U.S. product advantages - Vietnamese are fascinated with the American culture and it influences their desire for American food as well. U.S. food products are recognized as high quality items that have high value for the price.
- Challenges for U.S. exporters – higher shipping costs compared to similar shipments from Europe, Asia, and Australia. With U.S. food absence from the Vietnamese market due to the Vietnam Embargo, general

presence is for European food items. Also, shipments are usually in smaller lots, requiring transshipping from third-country ports (mainly Hong Kong and Singapore).

- **Exporter tips** – Do your research to find a suitable local importer and distributor. Visit Vietnam and do additional background research to verify the potential distributor's customer list and achievements. Only Vietnamese companies who are licensed in the foodstuff business and have been issued import/export custom codes are allowed to import and distribute food products in Vietnam. Sell goods against an irrevocable Letter of Credit (L/C). No other credit terms should ever be contemplated until the exporter is absolutely sure that the importer/distributor is very reliable. Products must be properly labeled to meet the Vietnamese Ministry of Health requirements, and must pass phytosanitary and sanitary inspection.
- **Best high-value consumer-oriented products** – snack foods (i.e. biscuits and cookies), fresh deciduous fruit, fresh citrus fruit, canned fruit &

vegetables, canned meat products, tree nuts (especially nuts not grown in Vietnam), beer & wine, chilled & frozen meat, and frozen poultry.

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov
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Japan – Live Seafood Market (35 pages)

The U.S. & Foreign Commercial Service in Tokyo has published an update on Japan's live fish and shellfish market – seafood products that are kept alive to the moment prior to cooking / preparation to assure freshness.

The total market for Japan live seafood is difficult to estimate as there are limited statistics, but at the Tokyo Central Wholesale Markets, sales of live finfish have grown 14.6% on the average from 12,582 metric tons in 1990 to 18,334 metric tons in 1999. However, the average prices decreased by more than 30% over the past 10

years from 2,117 yen/kg in 1990 to 1,433 yen/kg in 1999. The biggest price decrease occurred from 1997- the annual sales quantities of major 1999, which is most likely attributed to the recession in Japan.

The report provides total shipped quantities from 1991 to 1998 of the 19 important species at the 77 landing ports in Japan.

The 19 important species are as follows:

1) Sea bream, 2) Horse mackerel, 3) Striped jack, 4) Hirame flounder, 5) Karei flatfish, 6) Yellowtail, 7) Kampachi amberjack, 8) Hiramasa amberjack, 9) Blowfish, 10) Sea bass, 11) Conger eel, 12) Filefish, 13) Scorpion fish, 14) Pike eel, 15) Squid/cuttlefish, 16) Octopus, 17) Kuruma prawn, 18) Rock lobster, and 19) Crab.

In addition, the report provides a short summary on the technology to transport live seafood cited from Dr. Shizuyuki Ota's book, "Preserving Seafood Freshness." The summary focuses on: a) oxygen, b) accumulation of fish discharge, c) damage to fish body, d) feed cut or purging, e) water temperature, and f) oxygen supply.

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov
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U.S. Trade Representative – 2001 Inventory of Trade Barriers

The Office of the U.S. Trade Representative released *The 2001 National Trade Estimate Report on Foreign Trade Barriers*. Required by the Omnibus Trade Competitiveness Act of 1998, it catalogs foreign trade barriers to U.S. exports of goods and services.

Highlights of this report are as follows:

- ♦ **China** – import standards and phytosanitary requirements are being used to create import barriers for products that will benefit from tariff cuts following China's accession to the WTO. Transparency continues to be an issue for both foreign and domestic firms as inconsistent notification and application of existing laws and regulations create problems for businesses.
- ♦ **India** – continues to impose substantial barriers to U.S. exports, including high tariffs and related taxes. India has also recently introduced new labeling and other standards-related requirements that could affect U.S. exports to India.
- ♦ **Japan** – USTR is concerned about barriers in Japan's US\$130 billion telecommunication sector. Competition has been stifled due to the absence of an independent regulator, and inadequate access to rights-of-way, facilities, and other services to competitors.

Offers

- ♦ From the Consulate General of the Philippines – Honolulu office. - Company exporting Philippine made products and crude coconut oil is looking for import contacts in Hawaii, the US mainland and other Asia-Pacific countries. Interested parties may contact Mr. Manuelito R. Putong, Marketing Manager of Asuma Castro Corporation. Tel: (632) 951-9951 / 951-9952 Fax: (623) 932-3091 Email: asumacastro@asumacastro.com.ph Website: www.asumacastro.com.ph
- ♦ From the Consulate General of the Philippines – Honolulu office. - Company is seeking a person or company to handle promotions and marketing; preferable experience in out-bound travel and/or real estate. Contact Rob Murdoch, Manager of Casa del Mar Resort & Hotel and the Verdemar Golf Club of Cebu. Tel: (632) 344 6181 / 82 Fax: (632) 344-6181 e-mail: murdoch@verdemar-golf.com

Trade Shows, Conferences, & Trade Missions

IBEAR Executive Programs in June, 2001

University of Southern California, Marshall School of Business

China

June 21-22, 2001 – *Doing Business with China*. An intensive, hands-on seminar focused on the opportunities and challenges of today's China market. Includes interactive presentations, case studies, and roundtables with seasoned executives and experts from the U.S. and China.

June 23, 2001 – *Ecommerce in China: Business Models and Strategic Opportunities*. Focuses on the hot Ecommerce industry in China.

Japan

June 25-26, 2001 – *Connecting, Communicating & Negotiating with the Japanese*. Expand understanding of Japanese business culture and corporate practices, learn techniques for effective communication and successful negotiation with the Japanese, and develop strategies for more successful competition in the Japanese market.

June 27, 2001 – *HR Best Practices in Japan*. Topics include: managing successful start-up operations from the ground up, how to put teams in quickly – effective use of consultants and vendors, attracting & retaining human capital in Japan, managing people in Japan: best practice recommendations, and seniority system vs. "pay for performance."

For more information, contact Mike K. Scott, IBEAR Executive Program, Tel: (213) 740-7130; Fax: (213) 740-7559; e-mail: iep@usc.edu

August 21-24, 2001

SIAL Mercosur. Buenos Aires, Argentina. The 3rd International Food & Beverage Exhibition of the Mercosur. Argentina has the largest GDP in Latin America. Last year's show attracted 700 exhibitors from over 30 countries, and 22,000 visitors. U.S. Dept. of Agriculture will sponsor USA Pavilion at the show. Contact Kelly Wheatley at IMEX Management, Tel: (704) 365-0041; Fax: (704) 365-8426; e-mail: sial@imexmgt.com

- ◆ **Korea** – high tariffs and related taxes, and anti-import biases combine to restrict access for U.S. exports.

The trade barrier report is available on the Internet at www.ustr.gov under "reports".

Internet Resources

Resort and Infrastructure Consultants

www.hawaii.gov/dbedt/ric/index.html

Hawaii's Energy, Environmental, and Engineering Technology & Services Export Directory

www.hawaii.gov/dbedt/ert/heeetsed.html

Taiwan – Books and Periodicals

About 20 years ago, Taiwan was one of the world's strongest violators of unauthorized printing of foreign works. However, from 1985, Taiwan has taken action to improve its protection of foreign copyrights, and as a result, the U.S. & Foreign Commercial Service reports that Taiwan has become an important market for U.S. publishers.

Changes in the market have led to the following key points that may be of interest to Hawaii's publishing industry:

- Sales in Taiwan of imported books and periodicals increased from US\$125.2 million in 1999 to US\$129.2 million in 2000. It is estimated to hit US\$133 million in 2001, and US\$138.4 million in 2002.
- Largest import category of U.S. items – books, magazines, and periodicals related to technical, scientific, and professional fields.
- Royalty payments to U.S. publishers in 2000 for the translation of U.S. books and periodicals into Chinese were estimated at US\$6.2 million.
- English remains Taiwan's dominant foreign language as English language instruction is required in Taiwan's public schools, beginning from the third grade school level.
- English-language materials translated into Chinese are becoming increasingly popular.
- Taiwan's book publishing industry numbers 7,073 firms - many are small with only two to three employees. The industry is centralized in Taipei, where the major bookstore operations are headquartered. Local publishers are anxious to engage in copyrights, translations and co-publishing activities with U.S. publishers. A list of major publishers in Taiwan is included in the report.

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov

Japan – 2001/2002 Fall/Winter Men's Fashion Trends Forecast

The U.S. & Foreign Commercial Service International Marketing Insights reports that the *Senken Shinbun*, a leading fashion industry daily, released their forecasts for the 2001/2002 Fall/Winter men's fashion trends in Japan.

Based on interviews with ten (10) buyers and fashion coordinators from leading retailers, expected fashion trends for the coming fall and winter season are military and marine.

Military and marine related designs – i.e. styles inspired from military and marine life, include gold buttons, pockets with flaps, camouflage patterns, epaulets, Napoleon collars. These styles must project elegance and sophistication. Expected products include jacket with epaulets, trench coats, pea coats, and military styled boots.

It is expected that navy blue will be the popular color. Other popular colors may be dark red, beige, and black/black & white.

The best selling material is expected to be corduroy – used for jackets and pants – as it is easy to match with other materials.

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U.S. Government and European Commission Reach Agreement to End Banana Dispute

The U.S. Trade Representative reported on April 11, 2001, that the U.S. Government and the European Commission reached an agreement to resolve their long-standing dispute over bananas.

This banana dispute began in 1992, when the several Latin America countries successfully challenged the European Union (EU) regime in the GATT. The EU ignored the GATT's findings, and in 1993 adopted a single banana regime. This regime erected new barriers to bananas exported from Latin America and marketed through U.S. companies – this arrangement took opportunities away from the U.S. companies and giving European companies a distinctive advantage.

After years of unsuccessful negotiations, the U.S. and five Latin America countries filed a case against the EU banana regime in 1997. In 1998, the EU adopted cosmetic changes to its regime. In 1999, the WTO ruled that these changes did not rectify the flaws in the regime, and as a result of EU's continued non-compliance, the WTO authorized the U.S. to impose retaliatory sanctions of US\$191 million of EU exports.

With the new agreement, the sanctions imposed by the U.S. will be suspended on July 1, 2001, and the EU is taking immediate steps to put it into effect. On July 1, 2006, a tariff-only system is scheduled to take effect.

For more information on this agreement, contact the Office of the U.S. Trade Representative at Tel: (202) 395-3230.

Report Request Form

Trade Invest Monthly, Hawaii's International Business Network

Company: _____

Contact person: _____

Address: _____

City: _____

Zipcode: _____

Telephone: _____

Facsimile: _____

Email: _____

Report(s) requested:

- ____ Hong Kong – Internet Data Center Market
- ____ Japan – Live Seafood Market
- ____ Vietnam – Exporter Guide for High-Value Consumer-Oriented Foods and Beverages
- ____ Taiwan – Books and Periodicals
- ____ Japan - Mens Fashion Trend Forecast

OTHER REPORTS: _____

Date of Issue: _____

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